

AMENDED IN ASSEMBLY MARCH 11, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2118**

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**Introduced by Assembly Member Hernandez**

February 18, 2010

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An act to amend Section 11713.20 of the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 2118, as amended, Hernandez. Vehicles: dealers: consumer credit score disclosure.

Existing law requires a dealer that obtains a consumer credit score from a consumer credit reporting agency for use in connection with an application for credit initiated by a consumer for the purchase or lease of a motor vehicle for personal, family, or household use, prior to the sale or lease of the vehicle, to provide to the consumer a notice containing information concerning credit scores in at least 10-point boldface type on a document separate from the sale or lease contract.

~~This bill would authorize the dealer, alternatively, to provide to the consumer a credit score disclosure notice that meets other form and content requirements~~ *revise the form and content requirements for that notice and delete the requirement that the separate document be in boldface type.*

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 11713.20 of the Vehicle Code is amended  
2 to read:

3 11713.20. (a) A dealer that obtains a consumer credit score,  
4 as defined in subdivision (b) of Section 1785.15.1 of the Civil  
5 Code, from a consumer credit reporting agency, as defined in  
6 subdivision (d) of Section 1785.3 of the Civil Code, for use in  
7 connection with an application for credit initiated by a consumer  
8 for the purchase or lease of a motor vehicle for personal, family,  
9 or household use, shall provide to the consumer, prior to the sale  
10 or lease of the vehicle, either of the following:

11 (1) ~~A credit score disclosure notice that meets the content~~  
12 ~~requirements in Section 640.5(e)(1)(ii), and the form requirements~~  
13 ~~in Section 640.5 (e)(2), of Title 16 of the Code of Federal~~  
14 ~~Regulations, as that section may be amended.~~

15 (2) ~~A notice containing the following information at least~~  
16 ~~10-point boldface type on a document separate from the sale or~~  
17 ~~lease contract:~~

18 (A) ~~The credit score obtained and used by the dealer and the~~  
19 ~~name of the credit reporting agency providing the credit score to~~  
20 ~~the dealer.~~

21 (B) ~~The range of possible credit scores established by the credit~~  
22 ~~reporting agency that provided the credit score.~~

23 (C) ~~The following notice, which shall include the name, address,~~  
24 ~~and telephone number of each credit reporting agency providing~~  
25 ~~a credit score that was obtained and used by the dealer:~~

26  
27 ~~“NOTICE TO VEHICLE CREDIT APPLICANT~~  
28

29 ~~If the dealer obtains and uses a credit score from a credit~~  
30 ~~reporting agency in connection with your application to finance~~  
31 ~~the acquisition of a vehicle, the dealer must disclose the score to~~  
32 ~~you.~~

33 ~~The credit score is a computer generated summary calculated~~  
34 ~~by a credit reporting agency at the time the dealer requests the~~  
35 ~~score and is based on information the credit reporting agency has~~  
36 ~~on file. The scores are based on data about your credit history and~~  
37 ~~payment patterns. Credit scores are important because they are~~  
38 ~~used in determining whether to extend credit. The score may also~~

1 ~~be used to determine the annual percentage rate you may be~~  
2 ~~offered. Credit scores can change over time, depending on your~~  
3 ~~conduct, how your credit history and payment patterns change,~~  
4 ~~and how credit scoring technologies change. Credit scores may~~  
5 ~~also vary from one credit reporting agency to another.~~

6 ~~If you have questions about your credit score, contact the credit~~  
7 ~~reporting agency at the address and telephone number provided.~~  
8 ~~The credit reporting agency does not participate in the decision to~~  
9 ~~take any action on your application for credit and is unable to~~  
10 ~~provide you with specific reasons for any decision on the credit~~  
11 ~~application.~~

12 ~~If you have questions concerning credit terms relative to your~~  
13 ~~purchase or lease of a vehicle, ask the dealer.” or lease of the~~  
14 ~~vehicle, a credit score disclosure notice that meets the form and~~  
15 ~~content requirements in Section 640.5(e) of Title 16 of the Code~~  
16 ~~of Federal Regulations, as that section may be amended.~~

17 *(b) The dealer shall provide the notice required by subdivision*  
18 *(a) in at least 10-point type on a document separate from the sale*  
19 *or lease contract.*

20 ~~(b)~~

21 *(c) This section does not require a dealer to provide more than*  
22 *one disclosure for each purchase or lease transaction.*

23 ~~(e)~~

24 *(d) This section does not apply to the purchase or lease of a*  
25 *motorcycle or an off-highway motor vehicle subject to*  
26 *identification under Section 38010.*